

COURT OF COMMON PLEAS  
HAMILTON COUNTY, OHIO

CITY OF CINCINNATI,

Plaintiff,

v.

JOHN KLOSTERMAN, et al.,

Defendants.

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:Case No. A1905588  
(Judge Ethna M. Cooper)  
(Magistrate Anita P. Berding)RECEIVER'S FIRST REPORT

Comes now Konza, LLC by Richard Boydston its manager as receiver appointed by order entered February 14, 2020 (the "Receiver Order") and makes this report for the period from February 14 through March 31, 2020.

Cooperation by John Klosterman. The receivership got off to a bad start. As set forth in the Motion by Receiver for Order that Klosterman Defendants Show Cause Why They Should Not be Held in Contempt for Refusing to Obey Order Approving Receiver filed February 24, 2020 by the Receiver, Gary Lewis, counsel for the Klosterman Defendants (as defined in the motion), failed to provide the Receiver with any information as ordered in the Receiver Order and as he was specifically requested on February 14. Mr. Lewis further refused to give Mr. Boydston a phone number or email address for Defendant John Klosterman. Then on February 19, Mr. Lewis advised that he no longer represented the Klosterman Defendants and on February 25 Mr. Lewis filed a motion to withdraw which remains pending. At the March 2 hearing on the Receiver's show cause motion, Mr. Klosterman agreed to meet with Mr. Boydston. The meeting took place later that day and Mr. Klosterman provided certain information on tenants and on the buildings subject to the receivership. Mr. Klosterman did not have a complete rent role and did not have full names and phone numbers or email addresses for all tenants. Mr. Klosterman

agreed to facilitate Mr. Boydston's inspection of all of the buildings in the receivership and inspections took place on March 5, 6, 9, and 10 for a total of approximately 20 hours during which Mr. Boydston was shown virtually every room in every building Mr. Klosterman owns, directly or indirectly, in the Sedamsville neighborhood. Mr. Klosterman has not provided any accounting of rents or security deposits collected by him at any time.

Sedamsville Overview. The Sedamsville neighborhood is west of downtown Cincinnati and the Price Hill neighborhoods and the Ohio River and is roughly bounded by Mount Echo on the east and Bold Face Creek Valley the west. The 2012 nomination by the Ohio Historical Society to the National Register of Historic Places designation of Sedamsville Historic District lists approximately 175 buildings in the neighborhood, mainly residential but also including the abandoned Church of Our Lady of Perpetual Help and its adjoining school and the abandoned Benjamin Harrison Public School. The Receivership includes 24 buildings owned by Defendant John Klosterman, either outright or through entities he controls.

Properties. The real estate covered by the receivership is listed in the Order Appointing Receiver and consists of 59 "Tracts". Five of the numbered Tracts contain more than one parcel number but are each known as one street address. Tract 8 is 4053 Palos. The Receiver has determined that this property is not, and never was, owned by Mr. Klosterman or any entity with which he is or was affiliated. The Receiver has so advised the City and the City has indicated it will take steps to have the property excluded from the receivership. That said, the receivership consists of 24 addresses with buildings (collectively, the "Buildings"). Twelve of the Buildings are occupied and 12 are vacant. The 12 vacant are without gas or electric or water service and are not winterized. Four of the 12 vacant Buildings appear from records provided by the City of Cincinnati to have been condemned. One of the 12 occupied Buildings is currently being used as

a property management office. Another of the 12 occupied Buildings is occupied by a purchaser under an apparently fully paid land contract. There are 14 tenants in the 10 remaining occupied Buildings. The total monthly rent due from those tenants is \$8,590 and arrearages as of March 19, 2020 totaled \$3,670. Security deposits appear to total \$6,770 and have not been escrowed. A letter from the Receiver with a copy of the Order Appointing Receiver was posted on all the Buildings February 21, 2020. Mr. Klosterman has advised there is no insurance coverage for any of the properties except as may have been placed by Warsaw Federal Savings & Loan Association on two mortgage on four of the Buildings.

Operations. Shortly before entry of the Order Appointing Receiver, Mr. Klosterman entered into an agreement with TriState Organization, Inc., a Connecticut corporation controlled by Joseph Lentine, to manage the Properties. Mr. Lentine was therefore familiar with the Buildings at the time the Receiver Order was entered. Tri State has wrested rent collection from Mr. Klosterman. Tri State has also undertaken repairs to remedy tenant complaints and also to put units in shape to be rented. A report by Tri State to the Receiver for the month of March is attached marked Exhibit A. The Receiver has requested Tri State provide a detailed plan for proposed work including a budget and the Receiver will submit that plan and budget for approval by the City and the Court.

The Receiver has opened an account at Fifth Third Bank for all receipts and expenses related to the receivership. The Receiver has made application for liability insurance through Energy Insurance Agency.

Cincinnati Code Violations. The City has continued to enforce building code and inspections and violation orders. Mr. Klosterman has provided the Receiver with no proper work on existing orders and notices of violation. The Receiver is working with Terry James of the

City Department of Buildings and Inspections to identify what must be done to the Buildings to comply with the City orders and remedy the City identified violations.

Respectfully submitted,

/s/ Richard Boydston

Richard Boydston (0022360)  
Counsel for Konza, LLC, Receiver  
Dentons Bingham Greenebaum LLP  
255 East 5<sup>th</sup> Street #2350  
Cincinnati, Ohio 45202-4728  
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513.762.7963 (fax)  
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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served on each of the following by ordinary United States mail, first class postage prepaid, and also as indicated by email on April 7, 2020.

Jacklyn Gonzales Martin, Esq.  
Tina Woods, Esq.  
Counsel for Plaintiff  
City of Cincinnati  
214 City Hall  
801 Plum Street  
Cincinnati, OH 45202  
[jacklyn.martin@cincinnati-oh.gov](mailto:jacklyn.martin@cincinnati-oh.gov)  
[tina.woods@cincinnati-oh.gov](mailto:tina.woods@cincinnati-oh.gov)

Christian D. Donovan, Esq.  
Counsel for Defendant  
Warsaw Federal Savings and Loan  
Association aka Warsaw FS & LA  
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1160 Dublin Road, Suite 400  
Columbus, OH 43215-1052  
[cdonovan@LNLattorneys.com](mailto:cdonovan@LNLattorneys.com)

Gary R. Lewis, Esq.  
Counsel for Defendants John Klosterman;  
Susan Klosterman; Boldface Properties, LLC;  
Virginia Williamsburg, LLC; Global  
Sanitation Systems LLC fka Worldwide  
Mobile Latrine Inc.; Sedamsville  
Heritage Properties; Emily Vets LLC;  
and Sedamsville Historical Society  
Lazarus & Lewis, LLC  
30 Garfield Place, Suite 915  
Cincinnati, OH 45202  
[garylewis@hllmlaw.com](mailto:garylewis@hllmlaw.com)

Amy K. Kaufman, Esq.  
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Department of Taxation and  
Department of Job & Family Services  
Dave Yost, Attorney General of Ohio  
Collections Enforcement  
150 East Gay Street  
Columbus, OH 43215-3130  
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Counsel for Defendant Hamilton County Child  
Support Enforcement Agency  
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6NW711  
Cincinnati, OH 45202  
[perkit02@JFS.HAMILTON-CO.org](mailto:perkit02@JFS.HAMILTON-CO.org)

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America  
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221 E. 4<sup>th</sup> St., Suite 400  
Cincinnati, OH 45202  
[usaohs.state.foreclosure@usdoj.gov](mailto:usaohs.state.foreclosure@usdoj.gov)

Lawrence C. Baron, Esq.  
Counsel for Defendants Hamilton County,  
Hamilton County Clerk of Courts, and  
Hamilton County Auditor and Treasurer  
Assistant Prosecuting Attorney  
230 East Ninth Street, Suite 4000  
Cincinnati, OH 45202  
[larry.baron@hcpros.org](mailto:larry.baron@hcpros.org)

Ms. Maci Withrow  
628 Delhi Ave.  
Cincinnati, OH 45204



Ms. Crystal Phillips  
632 Delhi Ave.  
Cincinnati, OH 45204

Mr. Kevin Asinov  
636 Delhi Ave.  
Cincinnati, OH 45204

Mr. Richard Tolbert  
700 Delhi Ave.  
Cincinnati, OH 45204

Ms. Brianna Williams  
700 Delhi Ave.  
Cincinnati, OH 45204

Mr. Logan \_\_\_\_\_  
700 Delhi Ave.  
Cincinnati, OH 45204

Mr. Travis \_\_\_\_\_  
700 Delhi Ave.  
Cincinnati, OH 45204

Mr. Donnell Poole  
703 Delhi Ave.  
Cincinnati, OH 45204

Ms. Iris Anthony  
742 Delhi Ave.  
Cincinnati, OH 45204

Mr. Chuck Pritchard  
753 Delhi Ave.  
Cincinnati, OH 45204

Ms. Tara Jernigan  
649 Sedam St.  
Cincinnati, OH 45204

Ms. Monica Davis and Jason Davis  
659 Sedam St.  
Cincinnati, OH 45204

Mr. Brandon London  
659 Sedam St.  
Cincinnati, OH 45204

Ms. Rebecca Thomas  
652 Steiner St.  
Cincinnati, OH 45204

Tri State Organization, Inc.  
671-673 Steiner Ave.  
Cincinnati, OH 45204

Robert C. Davis  
4061 Lansdowne Ave.  
Cincinnati, OH 45236

Homecomings Financial LLC fka  
Homecoming Financial Network Inc.  
8400 Normandale Lake Blvd., Suite 175  
Minneapolis, MN 55437

Wham Properties X, LLC  
an Ohio limited liability company  
c/o Benjamin A. Willingham, Agent  
P.O. Box 8233  
Cincinnati, OH 45208

David M. Green  
5195 Hendrickson Rd.  
Franklin, OH 45005

Janice A. Green  
5195 Hendrickson Rd.  
Franklin, OH 45005

Unknown Spouse of David M. Green  
5195 Hendrickson Rd.  
Franklin, OH 45005

Unknown Spouse of Robert C. Davis  
4061 Lansdowne Ave.  
Cincinnati, OH 45236

Kenneth Ziegler  
2701 Merriway Lane  
Cincinnati, OH 45231

Cedar Resources, LLC  
c/o B. Scott Boster, Agent  
600 Vine Street, Suite 2800  
Cincinnati, OH 45202

Dante Harding  
749 Sedam Street  
Cincinnati, OH 45204

Cody Harding  
749 Sedam Street  
Cincinnati, OH 45204

The following have not been served because prior mailing to them have been returned unclaimed or the addressee has requested to not be served with filings in the case:

Chase Manhattan Mortgage Corp.  
343 Thornall Street  
Edison, NJ 08837

Unknown Spouse of Kenneth Ziegler  
2701 Merriway Lane  
Cincinnati, OH 45231

Home Servicing LLC  
c/o Highest Officer or Managing Agent  
2431 South Acadian Thruway, Suite 525  
Baton Rouge, LA 70808

Dan Schulkers  
32 Tower Hill Road  
Ft. Thomas, KY 41075

Dan Schulkers  
14 Sterling Avenue  
Ft. Thomas, KY 41075

Unknown Spouse of Dan Schulkers  
32 Tower Hill Road  
Ft. Thomas, KY 41075

Unknown Spouse of Dan Schulkers  
14 Sterling Avenue  
Ft. Thomas, KY 41075

Unknown Spouse of Dovetta Dangerfield  
1036 Holderness Lane  
Cincinnati, OH 45240

Unknown Occupant  
671 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
673 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
679 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
794 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
742 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
793 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
753 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
652 Steiner Avenue  
Cincinnati, OH 45204

Unknown Occupant  
4053 Palos Street  
Cincinnati, OH 45204

Unknown Occupant  
639 Steiner Avenue  
Cincinnati, OH 45204

Unknown Occupant  
638 Steiner Avenue  
Cincinnati, OH 45204

Unknown Occupant  
938 Striker Avenue  
Cincinnati, OH 45204

Unknown Occupant  
940 Striker Avenue  
Cincinnati, OH 45204

Unknown Occupant  
640 Steiner Avenue  
Cincinnati, OH 45204

Unknown Occupant  
632 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
701 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
659 Sedam Street  
Cincinnati, OH 45204

Unknown Occupant  
667 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
646 Sedam Street  
Cincinnati, OH 45204

Unknown Occupant  
703 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
649 Steiner Avenue  
Cincinnati, OH 45204

Unknown Occupant  
705 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
654 Steiner Avenue  
Cincinnati, OH 45204

Unknown Occupant  
636 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
700 Delhi Avenue  
Cincinnati, OH 45204

Unknown Occupant  
685 Halsey Avenue  
Cincinnati, OH 45204

Unknown Spouse of Joseph C. Zeiser  
3492 Cheviot Avenue  
Cincinnati, OH 45211

Unknown Spouse of Joseph C. Zeiser  
P.O. Box 862  
Florence, KY 41022



Donald R. Roseberry  
4459 Mayhew Avenue  
Cincinnati, OH 45238

Unknown Occupant  
793 Delhi Avenue  
Cincinnati, OH 45204

Unknown Spouse of Donna J. Roseberry  
4459 Mayhew Avenue  
Cincinnati, OH 45238

Barbara J. Zieser  
3492 Cheviot Avenue  
Cincinnati, OH 45211

/s/ Richard Boydston

# EXHIBIT A

**KLOSTERMAN PROPERTIES****MARCH 2020 REPORT****March Rent Roll**

628 Delhi	\$650.00
632 Delhi	\$795.00
636 Delhi	\$0.00
700 Delhi - A	\$575.00
700 Delhi - B	\$450.00
700 Delhi - C	\$750.00
703 Delhi	\$400.00
742 Delhi	\$675.00
753 Delhi	\$390.00
649 Sedam	\$795.00
659 Sedam - A	\$650.00
659 Sedam - B	\$675.00
652 Steiner	\$895.00 rent not paid
<b>TOTAL RENT ROLL (INCOME)</b>	<b>\$7,900.00</b>

**EXPENSES****John Klosterman - paid out of pocket**

Move refrigerator to 742 - Contractor	\$30.00
Refrigerator for 636 Delhi	\$175.00
Stove for 636 Delhi	\$150.00
Supplies for 652 Steiner	\$62.00 Reimbursed by TSO
Home Depot - Gas connector	\$30.29
Couplings from JK stock	\$5.00 Reimbursed by TSO
Supplies (636 Delhi)	\$12.21 Reimbursed by TSO
<b>Owed to John - out of pocket expenses</b>	<b>\$435.08</b>

**TSO paid out of pocket**

Cincinnati Reuse Center - 659 Sedam Durock	\$65.00
Paid to JK	\$79.21
Staples-Office Supplies	\$76.61
McCabe - Supplies	\$10.83
Home Depot - Supplies	\$85.67
Meyer Hardware - Supplies	\$1.68
Meyer Hardware - Supplies	\$16.97
Meyer Hardware - Supplies	\$1.89
Meyer Hardware - Supplies	\$80.11
Meyer Hardware - Supplies	\$40.09
Barn Roofing	\$110.00

Fax Order to GCWW	\$15.41
GCWW 794 Delhi	\$16.55
GCWW 652 Steiner	\$48.82
GCWW 767 Delhi	\$9.65
GCWW 749 Sedam	\$13.61
GCWW 667 Delhi	\$13.61
GCWW 685 Halsey	\$16.55
GCWW 753 Delhi	\$15.08
GCWW 703 Delhi	\$13.61
GCWW 793 Delhi	\$13.61
GCWW 679 Delhi	\$13.61
Meyer Hardware - Supplies	\$5.02
Meyer Hardware - Supplies	\$46.66
McCabe Hardware	\$66.24
Keidel - lead coupling for 671	\$41.11
Allied Redi Rooter 742 Delhi	\$240.00
McCabe Hardware - Supplies	\$108.41
Meyer Hardware - Roofing Supplies	\$28.10
<b>TOTAL EXPENSES PAID BY TSO</b>	<b>\$1,293.71</b>

<b>TSO Management Fee - 10% of Rent Roll</b>	<b>\$790.00</b>
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<b>TSO Labor Management Fee - 6% of Labor Cost</b>	<b>\$109.62</b>
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**Labor Costs paid by TSO**

Angel	\$334.00
Harry Tye	\$1,021.00
Ryan Kinnard	\$236.00
Marshall Todd	\$236.00
<b>TOTAL LABOR PAID BY TSO</b>	<b>\$1,827.00</b>

<b>TOTAL OWED TO TSO</b>	<b>\$4,020.33</b>
<b>TOTAL PAID TO TSO</b>	<b>\$3,855.00</b>
<b>AMOUNT STILL DUE TO TSO</b>	<b>\$165.33</b>

Respectfully submitted, on this 1st day of April, 2020, to Receiver Richard Boydston of Konza Inc.



Tristate Organization Inc.